

Adopted	Rejected
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## COMMITTEE REPORT

YES:	8
NO:	5

### MR. SPEAKER:

*Your Committee on Public Health, to which was referred Senate Bill 228, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1       Page 1, between the enacting clause and line 1, begin a new
- 2       paragraph and insert:
- 3       "SECTION 1. IC 4-23-27-7, AS ADDED BY P.L.273-1999,
- 4       SECTION 162, IS AMENDED TO READ AS FOLLOWS
- 5       [EFFECTIVE JULY 1, 2002]: Sec. 7. The board shall direct policy
- 6       coordination of children's health programs by doing the following:
- 7       (1) Developing a comprehensive policy in the following areas:
- 8           (A) Appropriate delivery systems of care.
- 9           (B) Enhanced access to care.
- 10          (C) The use of various program funding for maximum
- 11          efficiency.
- 12          (D) The optimal provider participation in various programs.
- 13          (E) The potential for expanding health insurance coverage to
- 14          other populations.
- 15          (F) Technology needs, including development of an electronic

- 1 claim administration, payment, and data collection system that  
 2 allows providers to have the following:
- 3 ~~(H)~~ (i) Point of service claims payments.
  - 4 (ii) Instant claims adjudication.
  - 5 (iii) Point of service health status information.
  - 6 (iv) Claims related data for analysis.
- 7 (G) Appropriate organizational structure to implement health  
 8 policy in the state.
- 9 (2) Coordinating aspects of existing children's health programs,  
 10 including the children's health insurance program, Medicaid  
 11 managed care for children, first steps, and children's special  
 12 health care services, in order to achieve a more seamless system  
 13 easily accessible by participants and providers, specifically in the  
 14 following areas:
- 15 (A) Identification of potential enrollees.
  - 16 (B) Outreach.
  - 17 (C) Eligibility criteria.
  - 18 (D) Enrollment.
  - 19 (E) Benefits and coverage issues.
  - 20 (F) Provider requirements.
  - 21 (G) Evaluation.
  - 22 (H) Procurement policies.
  - 23 (I) Information technology systems, including technology to  
 24 coordinate payment for services provided through the  
 25 children's health insurance program under IC 12-17.6 with:
  - 26 ~~(H)~~ (i) services provided to children with special health  
 27 needs; and
  - 28 (ii) public health programs designed to protect all children.
- 29 (3) Reviewing, analyzing, disseminating, and using data when  
 30 making policy decisions.
- 31 (4) Overseeing implementation of the children's health insurance  
 32 program under IC 12-17.6, including:
- 33 (A) reviewing:
  - 34 ~~(H)~~ (i) benefits provided by;
  - 35 (ii) eligibility requirements for; and
  - 36 (iii) each evaluation of;
- 37 the children's health insurance program on an annual basis in  
 38 light of available funding; ~~and~~

(B) making recommendations for changes to the children's health insurance program to the office of the children's health insurance program established under IC 12-17.6-2-1; **and**

**(C) studying benefits appropriate for children's mental health and addiction services.**

SECTION 2. IC 12-7-2-40.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 40.5. "Compendia", for purposes of IC 12-15-35 **and IC 12-15-35.5**, has the meaning set forth in IC 12-15-35-3.

SECTION 3. IC 12-7-2-48.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 48.5. "Covered outpatient drug", for purposes of IC 12-15-35, has the meaning set forth in IC 12-15-35-4.5."**

Page 1, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 5. IC 12-7-2-100.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 100.5. "Hard edit" means the result of a combination of information that precludes a pharmacist from filling a prescription."**

Page 1, after line 17, begin a new paragraph and insert:

"SECTION 6. IC 12-7-2-196.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 196.5. "Unrestricted access", for purposes of IC 12-15-35.5, has the meaning set forth in IC 12-15-35.5-3.**

SECTION 7. IC 12-15-35-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.5. As used in this chapter, "covered outpatient drug" has the meaning set forth in 42 U.S.C. 1396r-8(k)(2)."**

Page 2, line 33, delete "Seven (7)" and insert "**Five (5)**".

Page 2, line 35, delete "infectious diseases;" and insert "**family practice;**".

Page 2, line 41, after "medicine;" insert "**and**".

Page 3, line 1, delete ";" and insert ".".

Page 3, delete lines 2 through 5.

Page 3, line 6, delete "Six (6)" and insert "**Two (2)**".

- 1 Page 3, line 6, after "pharmacists" insert "**who are**".
- 2 Page 3, line 6, delete ", including:" and insert "**and**".
- 3 Page 3, delete lines 7 through 15.
- 4 Page 3, line 16, delete "(E) two (2) pharmacists".
- 5 Page 3, run in lines 6 through 16.
- 6 Page 3, line 17, delete "degree and who have either:" and insert
- 7 "**degree.**".
- 8 Page 3, delete lines 18 through 21.
- 9 Page 3, line 32, before "a pharmaceutical" insert "**the state or**".
- 10 Page 3, line 32, after "labeler." insert "**However, this subsection**
- 11 **does not apply to a physician who is a Medicaid provider.**".
- 12 Page 6, delete lines 18 through 23, begin a new line block indented
- 13 and insert:
- 14 "**(12) The preparation and submission of a report concerning**
- 15 **the preferred drug list at least two (2) times per year to the**
- 16 **select joint commission on Medicaid oversight established by**
- 17 **IC 2-5-26-3.**
- 18 **(13) The collection of data reflecting prescribing patterns**
- 19 **related to treatment of children diagnosed with attention**
- 20 **deficit disorder or attention deficit hyperactivity disorder.**".
- 21 Page 6, line 38, after "program" insert "**and other state funded**
- 22 **programs**".
- 23 Page 6, delete lines 39 through 42, begin a new paragraph and
- 24 insert:
- 25 "**(d) Notwithstanding a preferred drug list approved under**
- 26 **subsection (a)(11), a practitioner who is authorized to prescribe**
- 27 **medication under IC 25 may prescribe a single source covered**
- 28 **outpatient drug that the practitioner indicates is medically**
- 29 **necessary for a recipient as being the most effective medication**
- 30 **available.**
- 31 **(e) A preferred drug list developed under subsection (a)(11)**
- 32 **must provide that a single source covered outpatient drug that is**
- 33 **newly approved by the federal Food and Drug Administration**
- 34 **after the implementation or most recent amendment of the**
- 35 **preferred drug list is included on the preferred drug list, unless the**
- 36 **board, with the recommendation of the therapeutics committee,**
- 37 **determines that the drug should be excluded from the preferred**
- 38 **drug list.**

1 (f) The board may not exclude a drug from the preferred drug  
2 list based solely on price.

3 (g) The following requirements apply to a preferred drug list  
4 developed under subsection (a)(11):

5 (1) The office or the board may not require prior  
6 authorization for a drug that is included on the preferred  
7 drug list.

8 (2) All drugs described in IC 12-15-35.5-3(b) must be included  
9 on the preferred drug list.

10 (h) At least two (2) times each year, the board shall provide a  
11 report to the select joint commission on Medicaid oversight  
12 established by IC 2-5-26-3. The report must contain the following  
13 information:

14 (1) The cost of administering the preferred drug list.

15 (2) Any increase in Medicaid physician, laboratory, or  
16 hospital costs or in other state funded programs as a result of  
17 the preferred drug list.

18 (3) The impact of the preferred drug list on the ability of a  
19 Medicaid recipient to obtain prescription drugs.

20 (i) The board shall provide the first report required under  
21 subsection (h) not later than six (6) months after the board submits  
22 an initial preferred drug list to the office."

23 Page 7, delete lines 1 through 8, begin a new paragraph and insert:

24 "(j) In implementing and maintaining a preferred drug list, the  
25 board may apply a hard edit to a prescription drug.

26 (k) If a pharmacist is precluded from filling a prescription due  
27 to a hard edit applied under subsection (j), the practitioner who  
28 prescribed the drug shall obtain prior authorization before the  
29 prescription may be filled."

30 Page 7, line 21, delete "annual".

31 Page 9, delete lines 17 through 21.

32 Page 9, line 22, delete "(b)" and insert "SECTION 18.  
33 IC 12-15-35-43.5 IS ADDED TO THE INDIANA CODE AS A NEW  
34 SECTION TO READ AS FOLLOWS [EFFECTIVE UPON  
35 PASSAGE]: **Sec. 43.5**".

36 Page 9, line 23, after "proprietary" insert "**or confidential**".

37 Page 9, between lines 25 and 26, begin a new paragraph and insert:

38 "SECTION 19. IC 12-15-35-48 IS ADDED TO THE INDIANA

CODE AS A NEW SECTION TO READ AS FOLLOWS  
 [EFFECTIVE UPON PASSAGE]: **Sec. 48. Notwithstanding sections 46 and 47 of this chapter, each Medicaid managed care organization that uses an outpatient drug formulary must use an outpatient drug formulary that applies to all Medicaid managed care organizations that have been approved by the board."**

Page 9, between lines 41 and 42, begin a new paragraph and insert:

**"Sec. 3. As used in this chapter, "unrestricted access" means the ability of a recipient to obtain a prescribed drug without being subject to limits or preferences imposed by the office or the board for the purpose of cost savings."**

Page 9, line 42, delete "3" and insert "4".

Page 10, between lines 26 and 27, begin a new line block indented and insert:

**"(4) A drug that is prescribed according to the compendia as a cross-indicated drug or is classified as a drug to treat any of the following:**

**(A) The human immunodeficiency virus (HIV) or the acquired immune deficiency syndrome (AIDS).**

**(B) Hepatitis C.**

**(C) Hemophilia or related bleeding disorder.**

**(D) Epilepsy or a seizure disorder."**

Page 10, line 31, delete "4" and insert "5".

Page 10, line 39, delete "physician" and insert **"practitioner"**.

Page 10, line 41, delete "physician" and insert **"practitioner"**.

Page 10, line 42, delete "5" and insert "6".

Page 11, line 4, delete "6" and insert "7".

Page 11, line 8, delete "7" and insert "8".

Page 11, line 39, delete "licensed as".

Page 11, line 39, after "nurse" insert **"granted prescriptive authority"**.

Page 11, line 41, after "of" insert **"attention deficit disorder or"**.

Page 11, line 42, delete ":".

Run in page 11, line 42 through page 12, line 1.

Page 12, line 1, delete "(1)".

Page 12, line 3, after "with" insert **"attention deficit disorder or"**.

Page 12, line 3, delete "; and" and insert ".".

Page 12, delete lines 4 through 17.

- 1 Page 12, delete lines 22 through 26.
- 2 Page 12, line 34, delete "two (2) members" and insert "**one (1)**
- 3 **member**".
- 4 Page 12, line 42, after "of" delete "one (1)" and insert "**two (2)**
- 5 **years; and**".
- 6 Page 13, delete line 1.
- 7 Page 13, line 2, delete "two (2) members" and insert "**one (1)**
- 8 **member**".
- 9 Page 13, line 2, after "of" delete "two" and insert "**three (3) years.**".
- 10 Page 13, delete lines 3 through 5.
- 11 Renumber all SECTIONS consecutively.  
(Reference is to SB 228 as reprinted February 5, 2002.)

**and when so amended that said bill do pass.**

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Representative Brown C